

**CITY OF FLAGSTAFF TRANSACTION PRIVILEGE (SALES) TAX**  
**MANUFACTURED BUILDING DEALERS**

EFFECTIVE FEBRUARY 17, 1995

This publication is for general information about the City of Flagstaff Transaction Privilege (Sales) Tax on the sales of manufactured buildings. The city transaction privilege tax is commonly referred to as a sales tax, however, the tax is on the privilege of doing business in Flagstaff. For complete details refer to the Flagstaff City Code. **In case of inconsistency or omission in this publication, the language of the Flagstaff City Code will prevail.**

A Change to the City Sales Tax Code regarding manufactured building dealers was adopted February 17, 1995. This change states that all sales of manufactured buildings are subject to tax as retail sales, **regardless** if an affidavit of affixture is obtained. The sale price, including site preparation, moving to the site, and/or set-up, is subject to tax.

The location of the seller – not the buyer – determines the tax. Thus, if the seller is located in the county, then there is no city sales tax. If the seller is located within the city limits and the buyer is located outside of Flagstaff, for example, in Phoenix, the seller must remit the 1.601% city sales tax to Flagstaff.

The State continues to treat all manufactured building sales as construction contracting.

The following is a copy of Sec. 3-5-427 from the City Tax Code for your reference.

**Section 3-5-427. Manufactured Buildings**

- (a) The tax rate shall be at an amount equal to one. six zero one percent (1.601%) of the gross income, including site preparation, moving to the sit, and/or set-up, upon every person engaging or continuing in the business activity of selling manufactured buildings within in the City. Such business activity is deemed to occur at the business location of the seller where the purchaser first entered into the contract to purchase the manufactured building.
- (b) Sales of used manufactured buildings are not taxable.
- (c) The sale of prices of furniture, furnishings, fixtures, appliances, and attachments that are not incorporated as component parts of or attached to a manufactured building are exempt from the tax imposed by this Section. Sales of such items are subject to the tax under Section 3/5/460.
- (d) Under this Section, a trade-in will not be allowed for the purpose of reducing the tax liability.